(ख) पोखरण में नाभिकीय परीक्षण के बाद से विदेशी निवेश में से कितनी राशि निवेशकों द्वारा निकाल ली गई है;

(ग) क्या विदेशी निवेशों का बहिर्गमन चिन्ता का विषय है; और

(घ) यदि हां, तो इससे निपटने के लिए सरकार द्वारा क्या उपाय किए जा रहे हैं?

वित्त मंत्री (श्री यशवंत सिन्हा): (क) से (घ) सूचना एकत्र की जा रही है और सभापटल पर रख दी जाएगी।

World Bank advice on Capital Account Convertibility

2997. DR. B.B. DUTTA: Will the Minister of FINANCE be pleased to state:

(a) whether the World Bank has strongly advised India to take a "cautious approach" to convertibility on capital account;

(b) if so, the reaction of Government in this regard; and

(c) the steps taken by Government towards capital account convertibility?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) The World Bank have suggested in their report entitled "India — Sustaining Rapid Economic Growth—1997" that while full capital account liberalisation remains a desirable longer-term goal a cautious approach remains appropriate until fiscal consolidation has been achieved, the instruments and markets for indirect monetary control are more fully developed, the commercial banking system is strengthened, trade liberalisation is complete and exports sufficiently diversified;

(b) and (c) The approach of the Government is to calibrate the pace and character of integration with the world economy, while strengthening India's international economic position through revival of exports and reduced reliance on borrowed funds.

The following are some of the steps taken by Government:

Foreign investment and access to foreign capital by domestic companies has been progressively liberalised. Aggregate investment ceilings for FIIs and non-resident Indians (including OCBs) have been increased upto 30 per cent subject to approval by the companies' shareholders. FIIs have also been permitted to purchase/sell Treasury Bills within the overall approved debt ceilings. Guidelines for foreign investment in preference shares issued by the Indian companies were also issued. These provide greater flexibility to Indian corporations in using preference shares as a form of financing. Indian companies having foreign investment approval from SIA/FIPB, will no longer require any further prior approval from RBI for receiving the inward remittance on issuing shares to foreign investors. External Commercial Borrowing (ECB) funds can now be used to meet certain categories of rupee expenditure, which were hitherto not generally allowed. RBI has been delegated power to sanction small loans upto US$ 3 million. Companies having foreign exchange earnings are now permitted to raise ECB upto twice the average amount of annual exports during the previous three years, subject to ceiling. Holding companies promoters have been permitted to raise ECB upto a maximum of US$ 50 million (or equivalent) to finance equity investment in a subsidiary/joint venture company engaged in an infrastructure project. ECB on ten years average maturity is now outside the ECB ceiling, though prior approval is still necessary.

Income-Tax exemption of donations to 'Sri Venkateswara Jalanidhi Scheme'

2998. DR. MOHAN BABU:
SHRI YERRA NARAYANASWAMY:

Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to exempt donations received towards 'Sri